

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION**

FINANCIAL REPORT

**AS OF AND FOR THE YEARS ENDED
JUNE 30, 2013 AND 2012**

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION**

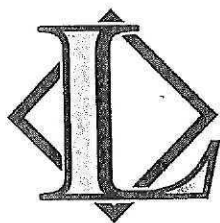
JUNE 30, 2013 AND 2012

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LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
University of Louisiana at Monroe Athletic Foundation
Monroe, Louisiana

We have audited the accompanying financial statements of University of Louisiana at Monroe Athletic Foundation (the Foundation) which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of University of Louisiana at Monroe Athletic Foundation as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules 1, 2, and 3 on pages 16-18 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Little & Associates, LLC

Monroe, Louisiana
December 23, 2013

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION
STATEMENTS OF FINANCIAL POSITION**

	June 30,	
	2013	2012
ASSETS		
Cash and Cash Equivalents	\$ 786,177	\$ 729,168
Accounts Receivable	104,500	18,482
Accounts Receivable - Other	130,237	55,277
Accounts Receivable - L-Club Life Member Endowment	-	63,489
Pledge Receivables	664,495	160,564
Contributions Receivable - Suites	212,904	-
Restricted Deposits		
Cash and Cash Equivalents	539,570	262,158
Bank Trust Funds		
Cash and Cash Equivalents	36,074	24,918
Investments, at Market	578,348	523,605
Securities	4,700	4,700
Cash Surrender Value of Life Insurance	260,637	296,809
Loan Fees (net of Accumulated Amortization of \$75 in 2013 and \$657 in 2012)	626	2,589
Property and Equipment, net of Accumulated Depreciation of \$131,909 in 2013 and \$114,399 in 2012	371,986	330,907
TOTAL ASSETS	\$ 3,690,254	\$ 2,472,666
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	\$ 48,496	\$ 74,115
Accrued Interest Payable	580	1,249
Deferred Revenue	1,150	4,250
Notes Payable	271,153	289,284
Total Liabilities	321,379	368,898
Net Assets		
Unrestricted	255,235	1,112,647
Temporarily Restricted, Programs	2,478,343	358,137
Temporarily Restricted, Scholarships	20,872	20,872
Permanently Restricted	614,425	612,112
Total Net Assets	3,368,875	2,103,768
TOTAL LIABILITIES AND NET ASSETS	\$ 3,690,254	\$ 2,472,666

The accompanying notes are an integral part of these financial statements.

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

	2013				TOTAL 2013
	Unrestricted	Temporarily Restricted		Permanently Restricted Endowment Principal	
		Programs	Scholarships		
SUPPORT, REVENUES AND GAINS					
Support					
Contributions - Cash	\$ 673,979	\$ 1,198,051	\$ -	\$ 8,400	\$ 1,880,430
Contributions - Non Cash	226,824	118,157	-	-	344,981
Total Support	<u>900,803</u>	<u>1,316,208</u>	<u>-</u>	<u>8,400</u>	<u>2,225,411</u>
Revenues and Gains					
Investment Income (Loss)	5,120	-	14,736	42,666	62,522
Other Income	923,106	164,759	-	-	1,087,865
Total Revenues and Gains	<u>928,226</u>	<u>164,759</u>	<u>14,736</u>	<u>42,666</u>	<u>1,150,387</u>
Restrictions Satisfied by Payments	<u>698,132</u>	<u>(698,132)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Support, Revenues and Gains	<u>2,527,161</u>	<u>782,835</u>	<u>14,736</u>	<u>51,066</u>	<u>3,375,798</u>
Program Services					
General Scholarships	260,782	-	-	-	260,782
University & Sports Promotion	432,802	-	-	-	432,802
Departmental Expenses	298,205	-	-	-	298,205
Staff Support	336,868	-	-	-	336,868
Depreciation and Amortization	20,173	-	-	-	20,173
Total Program Services	<u>1,348,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,348,830</u>
Supporting Services					
Interest Expense	11,400	-	-	-	11,400
Miscellaneous Expense	33,769	-	-	-	33,769
Materials & Supplies	483,775	-	-	-	483,775
Professional Services	59,708	-	-	-	59,708
Fund Raising	99,162	-	-	-	99,162
Lease House Expense	4,558	-	-	-	4,558
Bad Debts	6,000	-	-	-	6,000
Total Supporting Services	<u>698,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>698,372</u>
Total Expenses	<u>2,047,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,047,202</u>
Change in Net Assets	479,959	782,835	14,736	51,066	1,328,596
Transfers In/(Out)	(1,337,371)	1,337,371	(14,736)	14,736	-
Equity Transfers	-	-	-	(63,489)	(63,489)
Net Assets-Beginning of Year	<u>1,112,647</u>	<u>358,137</u>	<u>20,872</u>	<u>612,112</u>	<u>2,103,768</u>
Net Assets-End of Year	<u>\$ 255,235</u>	<u>\$ 2,478,343</u>	<u>\$ 20,872</u>	<u>\$ 614,425</u>	<u>\$ 3,368,875</u>

The accompanying notes are an integral part of these financial statements.

2012				
Unrestricted	Temporarily Restricted		Permanently Restricted	Total
	Programs	Scholarships	Endowment Principal	2012
\$ 442,629	\$ 279,439	\$ -	\$ 9,400	\$ 731,468
469,261	33,976	-	-	503,237
<u>911,890</u>	<u>313,415</u>	<u>-</u>	<u>9,400</u>	<u>1,234,705</u>
978	-	5,220	(2,975)	3,223
615,687	137,125	-	2,650	755,462
<u>616,665</u>	<u>137,125</u>	<u>5,220</u>	<u>(325)</u>	<u>758,685</u>
377,905	(377,905)	-	-	-
<u>1,906,460</u>	<u>72,635</u>	<u>5,220</u>	<u>9,075</u>	<u>1,993,390</u>
243,033	-	-	-	243,033
557,532	-	-	-	557,532
258,262	-	-	-	258,262
238,689	-	-	-	238,689
11,138	-	-	-	11,138
<u>1,308,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,308,654</u>
14,662	-	-	-	14,662
29,016	-	-	-	29,016
209,395	-	-	-	209,395
62,375	-	-	-	62,375
104,744	-	-	-	104,744
9,609	-	-	-	9,609
-	-	-	-	-
<u>429,801</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>429,801</u>
<u>1,738,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,738,455</u>
168,005	72,635	5,220	9,075	254,935
(17,685)	17,685	(5,220)	5,220	-
-	-	-	-	-
<u>962,327</u>	<u>267,817</u>	<u>20,872</u>	<u>597,817</u>	<u>1,848,833</u>
\$ <u>1,112,647</u>	\$ <u>358,137</u>	\$ <u>20,872</u>	\$ <u>612,112</u>	\$ <u>2,103,768</u>

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION
STATEMENTS OF CASH FLOWS**

	Year Ended June 30,	
	2013	2012
Cash Flows From Operating Activities		
Increase (Decrease) in Net Assets	\$ 1,328,596	\$ 254,935
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation and Amortization	20,173	11,138
Donation of Fixed Assets to University	-	16,623
Change in:		
Accounts Receivable and Contributions Receivable-Suites	(814,324)	(135,059)
Cash Surrender Value of Life Insurance Policies	36,172	(1,019)
Deferred Revenue	(3,100)	4,250
Accounts Payable	(25,619)	62,619
Interest Payable	(669)	-
Total Adjustments	<u>(787,367)</u>	<u>(41,448)</u>
Net Cash Provided (Used) by Operating Activities	541,229	213,487
Cash Flows From Investing Activities		
(Increase) Decrease in Bank Trust Funds	(54,743)	(1,301)
Purchases of Fixed Assets	<u>(58,588)</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	(113,331)	(1,301)
Cash Flows From Financing Activities		
Proceeds from Issuance of Long-Term Debt - Capital One Bank	280,251	-
Distribution of Equity Transfer	(63,489)	-
Payment of Long-Term Debt - Capital One	(298,382)	(26,243)
Payment of Loan Fees	<u>(701)</u>	<u>-</u>
Net Cash Provided (Used) by Financing Activities	<u>(82,321)</u>	<u>(26,243)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	345,577	185,943
Cash and Cash Equivalents at Beginning of Year	<u>1,016,244</u>	<u>830,301</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 1,361,821</u></u>	<u><u>\$ 1,016,244</u></u>

(Continued)

The accompanying notes are an integral part of these financial statements.

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION
STATEMENTS OF CASH FLOWS (CONCLUDED)**

	Year Ended June 30,	
	2013	2012
CASH AND CASH EQUIVALENTS INCLUDED ON STATEMENT OF FINANCIAL POSITION:		
Cash in Banks	\$ 786,177	\$ 729,168
Cash in Banks - Restricted	539,570	262,158
Cash in Bank Trust Funds	<u>36,074</u>	<u>24,918</u>
TOTAL CASH AND CASH EQUIVALENTS AS INCLUDED ON STATEMENT OF FINANCIAL POSITION	\$ <u>1,361,821</u>	\$ <u>1,016,244</u>
 Cash Paid for Interest	 \$ <u>11,400</u>	 \$ <u>14,662</u>

The accompanying notes are an integral part of these financial statements.

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

Note 1 – Organization and Summary of Significant Accounting Policies

The University of Louisiana at Monroe Athletic Foundation (the Foundation) is a legally autonomous fund-raising foundation that raises funds for the benefit of student-athletes at the University of Louisiana at Monroe (the University) and to enhance the University's image through athletic excellence. The mission of the Foundation is to raise funds for athletic scholarships; help finance all support groups with travel, materials and supplies, and equipment; and to build, upgrade and maintain the University's athletic facilities.

The stated duties of the Foundation are to select and form an interested sports group to act as a 20-person Board of Directors and leaders of the annual fund drive; to keep and maintain up-to-date records on all donors, both present and past; to form, guide and direct various satellite clubs in north Louisiana towns so that interest in the University will be created and maintained; to create and act on special projects for extra funds; and to aid and assist with promoting and marketing the University's athletic teams.

The most visible products of the University are the athletic teams fielded by the University. Images are created by what people perceive you to be. Through local and national news media coverage, it is the desire and commitment of the Foundation to make the University the best it can be with the student-athletes leading the way.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its *Audit and Accounting Guide for Not-For-Profit Organizations*.

Financial Statement Classification

The net assets of the Foundation are reported in three classes as follows:

1. Unrestricted - includes all resources received without donor restrictions to be used in support of the Foundation's operations at the sole discretion of the Foundation. Resources that are temporarily restricted by the donor when given, but are relieved of the restriction during the year, are carried as unrestricted.
2. Temporarily Restricted - includes amounts that have been donated subject to donor-imposed stipulations that will or will not be met by action of the Foundation and/or the passage of time.

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

Note 1 – Organization and Summary of Significant Accounting Policies (Continued)

Financial Statement Classification (Continued)

3. Permanently Restricted - represents amounts contributed to the Foundation that are subject to restrictions imposed by the gift instruments. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on the related investments for general or specific purposes as may be expressed by the donor.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor-imposed restrictions. Contributions are recognized as support when received or when an unconditional promise to give is received. Contributions that are temporarily restricted when received from the donor, but the restrictions are satisfied in the same year, are recorded as unrestricted contributions.

Donated Services and Materials

Non-cash donations include both materials and services. These donations are recorded at their fair market value on the date of donation. Donated services are recognized only when they create or enhance a non-financial asset, or when they are specialized skills provided by entities or persons possessing those skills that would be purchased if they were not donated. For the years ended June 30, 2013 and 2012, the Foundation received various donations of materials and/or services in the amount of \$344,981 and \$503,237, respectively, which enhanced the Foundation as a whole.

Investment Policies

Marketable equity securities for which a fair market value is not readily determinable are recorded at estimated amortized cost. Investments in debt securities and marketable equity securities for which fair market value is readily determinable are reported at fair value. Gains and losses on all investments are recorded as increases or decreases (as appropriate) in net assets in the accompanying Statement of Activities.

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

Note 1 – Organization (Continued)

Income Tax Status

The Foundation is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. During the year ended June 30, 2010, the Foundation adopted the provisions of FASB ASC 740, *Income Taxes*. The Foundation believes that it has appropriate support for any tax provisions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundations' Federal Return of Organization Exempt from Income Tax (form 990) for the years ended June 30, 2010, 2011, and 2012 are subject to examination by the IRS, generally for three years after they were filed.

Cash Equivalents

For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

Note 2 - Property and Equipment

Property and equipment are recorded at cost on the date of purchase or fair market value on the date of donation. Capitalization policies of the Foundation are in accordance with the threshold as prescribed by the Louisiana Legislature. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets ranging from 5 to 40 years. The balances of property and equipment owned by the Foundation by major category are as follows at June 30,

	<u>2013</u>	<u>2012</u>
Van(s) for golf team	\$ 76,921	\$ 18,333
House	426,974	426,973
Total	503,895	445,306
Less: Accumulated depreciation	(131,909)	(114,399)
Net	<u>\$ 371,986</u>	<u>\$ 330,907</u>

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

Note 2 - Property and Equipment (Continued)

On June 23, 2011, the Foundation donated the Putting Greens to the University. During the year ended June 30, 2011, the Foundation donated renovations made to property located at 4503 Bon Aire Drive to the University. The renovations included golf team offices, locker room, meeting space and skill training in the amount of \$84,582. During the year-end June 20, 2012, the Athletic Foundation transferred renovations made to the baseball field in the amount of \$16,623 to the University. Depreciation expense for the years ended June 30, 2013 and 2012 was \$17,661 and \$11,138, respectively.

Note 3 - Bank Trusts

The investments held at June 30, 2013 and 2012 include the following which are stated at their fair values as determined by the various banks that maintain the trust accounts. The types of investments are as follows at June 30,

	Fair Value at Reporting Date Using Quoted Prices in Active Markets for Identical Assets (Level I)	
	2013	2012
Cash Equivalents	\$ 36,074	\$ 24,918
Corporate Bond	75,538	95,960
Mutual Funds	502,810	427,645
TOTAL BANK TRUST FUNDS	\$ 614,422	\$ 548,523

Bank trust fund investment return is summarized as follows for the years ended June 30,

	2013	2012
Interest and dividend income	\$ 10,689	\$ 11,197
Net realized and unrealized gains/(losses)	46,713	(8,952)
TOTAL	\$ 57,402	\$ 2,245

Note 4 - Insurance Program

During fiscal 1991, the Foundation began an insurance program whereby boosters could make their contributions in the form of life insurance policies. Each contributor's life insurance is funded by the insured with the Foundation as the owner and beneficiary. Increases in cash surrender values are recorded as reductions of insurance expense.

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

Note 4 - Insurance Program (Continued)

For the year ended June 30, 2013, contributions in the form of premiums of \$4,090 were made. The cash value of these policies decreased by \$36,172. Life insurance proceeds were received in the amount of \$105,459. For the year ended June 30, 2012, contributions in the form of premiums of \$6,734 were made. The cash value of these policies increased by \$1,019.

Note 5 - Funds Available for Scholarships

Included in the Statements of Financial Position under temporarily restricted net assets are funds available for scholarships. These consist of earnings from invested endowment funds. Changes in funds available during the year ended June 30, 2013 and 2012, were as follows:

	<u>2013</u>	<u>2012</u>
Funds available - Beginning of Year	\$ 20,872	\$ 20,872
Contributions	-	-
Earnings	14,736	5,220
Other Revenue	-	-
Scholarships and support	-	-
Transfers	<u>(14,736)</u>	<u>(5,220)</u>
Funds available - End of Year	<u>\$ 20,872</u>	<u>\$ 20,872</u>

Note 6 - Contributions Receivable-Suites

Contributions Receivable – Suites represents the net present value of amounts committed to be paid to the Foundation over a five-year period by beneficiaries granted rights to use the Malone Stadium Suites. The receivables are anticipated to be collected in the following time periods:

<u>Years Ending</u> <u>June 30,</u>	<u>Total</u> <u>Due</u>	<u>Estimated</u> <u>Costs</u>	<u>Net</u> <u>Contribution</u>	<u>Discounts</u>	<u>Net Present</u> <u>Value</u>
2014-2018	\$ 470,000	\$ (237,960)	\$ 232,040	\$ 19,136	\$ 212,904

Estimated costs are tickets to football games and refreshments for the occupants of the suites during football games. The discount represents a 4.75% factor to arrive at net present value.

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

Note 7 - Advance Deposits on Malone Stadium Suites

The Foundation paid the State of Louisiana for the Malone Stadium Suites as costs were incurred. In return for payment for the suites, the Foundation received the right to use the suites to further the mission of the Foundation. Since the Foundation does not own the suites, the amounts paid for these rights are to be amortized over the ten-year life of the initial agreements entered into with the contributors. Amortization expense of \$152 and \$464 is included in the accompanying financial statements for the years ending June 30, 2013 and 2012.

Note 8 - Notes Payable and Long-term Debt

On January 20, 2011, the Foundation obtained financing from Capital One Bank. The loan, in the original amount of \$323,616, is payable in eighty-three regular payments of \$3,408.79 each with one final payment estimated at \$117,475. The loan bears interest at an annual rate of 4.750% and matures on February 1, 2018. The proceeds from the loan were to refinance the house and property, which also serves as collateral for the loan along with the assignment of leases and rents. As of June 30, 2012, the balance of the loan was \$289,284. During October 2012, this loan was refinanced as discussed below.

On October 3, 2012, the Foundation obtained financing from Capital One Bank. The loan, in the original amount of \$280,251, is payable in fifty-nine regular payments of \$2,061.28 each with one final payment estimated at \$206,557.41. The loan bears interest at an annual rate of 3.850% and matures on October 10, 2017. The proceeds from the loan were to refinance the house and property, which also serves as collateral for the loan along with the assignment of leases and rents. As of June 30, 2013, the balance of the loan was \$271,153.

Debt service to maturity is as follows:

Years Ending	
<u>June 30,</u>	<u>Capital One</u>
2014	\$ 14,406
2015	14,978
2016	15,549
2017	16,192
2018	<u>210,028</u>
Total	\$ <u>271,153</u>

Interest expense for the years ended June 30, 2013 and 2012 was \$11,400 and \$14,662, respectively.

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

Note 9 - Disclosures About Risk and Concentrations

The Foundation's financial instruments consist primarily of cash, investments in bank trust funds, cash surrender value of life insurance policies and contributions receivable. Cash held by financial institutions is insured through the FDIC. However, the Foundation faces credit risk with the balance in its sweep account, investments held in the bank trust funds, and the cash surrender value of life insurance policies. These risks are mitigated as much as possible through the utilization of high-quality, credit-worthy financial institutions and insurance carriers. Market risk faced by the investments held in the bank trust funds is mitigated through diversification. Contributions receivable on the suites are stated at their net present value using a discount rate of 4.75%, which is a reasonable estimate of the fair value of these receivables. No collateral is required on contributions receivable and accounts receivable. At June 30, 2013, the Foundation's uninsured cash balances in Chase Bank totaled \$1,085,347.

Note 10 – Related Parties – Operating Lease

The Foundation entered into an operating lease with the University of Louisiana at Monroe to lease a house that was purchased by the Foundation during the year ended June 30, 2003, at a cost of \$424,849. Rental payments of \$3,333 are payable monthly to the Foundation throughout the lease periods from July 1, 2004 through June 30, 2005, July 1, 2005 through June 30, 2006, July 1, 2006 through June 30, 2007, July 1, 2007 through June 30, 2008, July 1, 2008 through June 30, 2009, July 1, 2009 through June 30, 2010 and July 1, 2010 through June 30, 2011. The lease agreement was renewed for one additional year, July 1, 2011 through June 30, 2012. As of January 1, 2012, a new lease was issued with rental payment of \$1,900 payable monthly to the Foundation. The lease expired on December 31, 2012, and is automatically renewed on a month-to-month basis until termination by either party. The Foundation is responsible for maintaining the property, paying all taxes and governmental charges imposed on the property and providing adequate property and liability insurance. The property shall be used and operated only in compliance with all governmental requirements.

Note 11 – Reclassifications

Certain accounts in the prior year's financial statements have been reclassified to conform to the current year's financial statements' presentation.

Note 12 – Contingencies

During review of the Athletic Foundation minutes for the year ended June 30, 2010, it was noted that a newly appointed head football coach was employed by the University. If the football coach is terminated for any reason, the University is responsible for the current year's salary and any remaining years are the

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

Note 12 – Contingencies (Continued)

responsibility of the Athletic Foundation. All incentives of the football coach are the responsibility of the Athletic Foundation. The contract is on file at the University. The Athletic Foundation is also responsible for the remaining years of the assistant football coach, men's basketball coach, women's basketball coach, and the baseball coach if they are terminated for any reason.

Note 13 – L-Club Receivable

Prior to July 1, 2010, the L-Club was affiliated in the Alumni Association. On July 1, 2010, the L-Club became an affiliate of the Athletic Foundation. The Life Member Endowment account is held in trust as an investment and payable on the ULM Foundation's books. The revenue and expenses of the Life Member Endowment were recorded within the Athletic Foundation's records through June 30, 2012. During the year ended June 30, 2013, the Athletic Foundation transferred the Life Member Endowment Funds to the Alumni Association. As of June 30, 2012, the Athletic Foundation had a receivable due from the ULM Foundation in the amount of \$63,489, the amount of the Life Member Endowment held in trust.

Note 14 – Related Party Transactions

During the year ended June 30, 2013, the University of Louisiana at Monroe paid operating expenses on behalf of the Athletic Foundation. As of June 30, 2013, the Athletic Foundation owed the University of Louisiana at Monroe \$9,346.

Note 15 – Subsequent Events

The Foundation has evaluated subsequent events through December 23, 2013, the date which the financial statements were available for issue.

SUPPLEMENTARY INFORMATION

**THE UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
ANALYSIS OF TEMPORARILY RESTRICTED NET ASSETS, PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2013**

Temporarily Restricted Funds	Balance June 30, 2012	Contributions	Other Revenue	Transfers/ Reclasses From (To) Other Funds	Scholarships	Other Expenses	Balance June 30, 2013
	\$	\$	\$	\$	\$	\$	\$
Athletic Administration	23,571	6,883	24,742	(2,957)	-	(7,906)	44,333
Elee Trichel Athletic Support	6,639	12,000	-	-	-	(2,110)	16,529
Baseball	41,625	76,977	5,226	5,459	-	(63,876)	65,411
Baseball Construction	-	105,459	-	(5,459)	-	-	100,000
AF Baseball Yearbook Fund	-	1,850	-	5,978	-	(7,828)	-
Men's Basketball	4,849	4,445	300	2,310	-	(8,006)	3,898
Basketball Renovation Fund	-	2,000	-	-	-	-	2,000
Women's Basketball	11,263	2,170	-	2,310	-	(5,993)	9,750
Strength	-	2,500	-	-	-	(2,383)	117
Football	3,361	100,130	2,100	-	-	(99,489)	6,102
Football Excellence Fund	-	621,687	-	-	-	(37,822)	583,865
Football Recruiting	212	-	-	-	-	-	212
Football Field House Fund	132,100	246,986	-	-	-	(223,911)	155,175
Golf	49,177	53,942	99,316	(5,388)	-	(173,881)	23,166
Golf Fund Reserve	23,200	30,000	-	5,388	-	-	58,588
6th Man Club	1,620	4,650	-	(4,621)	-	(1,649)	-
Soccer	1,072	12,087	3,770	-	-	(9,138)	7,791
Softball	1,529	12,135	4,390	958	-	(19,008)	4
Sun Belt Championships	11,080	-	-	-	-	-	11,080
Women's Tennis	893	8,049	3,581	2,000	-	(13,861)	662
Men's Track	3,518	10,099	4,478	-	-	(12,336)	5,759
Volleyball	-	817	20	-	-	(817)	20
Al Miller Legacy Campaign Fund	4,650	-	-	-	-	-	4,650
Champs Fund	-	-	16,836	(10,955)	-	(2,598)	3,283
Sports Medicine	337	1,217	-	-	-	(245)	1,309
Capital Projects	13,809	-	-	-	-	-	13,809
Malone Stadium Suites Licensing	18,482	-	-	1,342,348	-	-	1,360,830
L-Club Operating	2,760	125	-	-	-	(2,885)	-
The Summit	2,390	-	-	-	-	(2,390)	-
TOTAL	\$ 358,137	\$ 1,316,208	\$ 164,759	\$ 1,337,371	\$ -	\$ (698,132)	\$ 2,478,343

**THE UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
ANALYSIS OF TEMPORARILY RESTRICTED NET ASSETS, SCHOLARSHIPS
FOR THE YEAR ENDED JUNE 30, 2013**

Temporarily Restricted Endowment	Balance June 30, 2012 Funds Available	Contributions	Earnings	Other Revenue	Staff Support	General Scholarships	Transfers/ Endowments	Balance June 30, 2013 Funds Available
Buchanan	\$ -	\$ -	1,857	\$ -	\$ -	\$ -	(1,857)	\$ -
Butler	-	-	995	-	-	-	(995)	-
Burroughs	1,416	-	396	-	-	-	(396)	1,416
Fant	-	-	578	-	-	-	(578)	-
Huffman	1,059	-	197	-	-	-	(197)	1,059
Huntsman	-	-	1,001	-	-	-	(1,001)	-
Malone	-	-	971	-	-	-	(971)	-
Martin	18,397	-	1,661	-	-	-	(1,661)	18,397
Parker	-	-	1,021	-	-	-	(1,021)	-
Pittington	-	-	22	-	-	-	(22)	-
Rivers	-	-	5,225	-	-	-	(5,225)	-
Smith	-	-	4	-	-	-	(4)	-
Shows	-	-	808	-	-	-	(808)	-
TOTAL	\$ 20,872	\$ -	14,736	\$ -	\$ -	\$ -	(14,736)	\$ 20,872

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION
ANALYSIS OF PERMANENTLY RESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2013**

Permanently Restricted Endowment	Balance June 30, 2012 Endowment Principal	ENDOWMENT PRINCIPAL				Balance June 30, 2013 Endowment Principal
		Contributions	Earnings/(Loss)	Equity Transfers	Transfers/ Endowments	
Buchanan	\$ 72,487	\$ -	\$ 5,400	\$ -	\$ 1,857	\$ 79,744
Burroughs	14,025	-	1,150	-	395	15,570
Butler	38,851	-	2,894	-	996	42,741
Fant	22,548	-	1,680	-	578	24,806
Huffman	6,617	-	572	-	197	7,386
Huntsman	39,082	-	2,911	-	1,001	42,994
Malone	37,906	-	2,824	-	971	41,701
Martin	46,409	-	4,828	-	1,661	52,898
Parker	39,859	-	2,969	-	1,021	43,849
Pittington	854	-	63	-	22	939
Rivers	198,217	8,400	15,112	-	5,225	226,954
Shows	31,538	-	2,350	-	808	34,696
Smith	133	-	10	-	4	147
L-Club Life Member	63,586	-	(97)	(63,489)	-	-
TOTAL	\$ 612,112	\$ 8,400	\$ 42,666	\$ (63,489)	\$ 14,736	\$ 614,425